

## CHAPTER I

### HOW TO SELECT

THE suggestions are lessons derived from a long and varied practical experience in financial affairs, and apply universally. It is, however, to be remembered, as I have pointed out and cannot too frequently repeat, that suggestion\*\*, however broadly based and intrinsically sound, cannot, from the nature of the case, dispense with the thought and intelligent scrutiny of the investor himself. Fewer failures in life would occur, in finance and in the cultivation of character\* if the Haggardism of others were accepted, not as rules for rigid following, but as warnings to avoid errors, and as hints to guide judgment and effort in the right direction. The difficulty, moreover, of the announcement of rules for others lies in the fact that the ready or instant powers of decision which men often show who have been practised in monetary affairs\*) (and indeed generally) are in reality the consolidated products of lengthened actual experience—habits of mind slowly and laboriously created—

.....  
which,  
in their highest form, present the appearance of intuition\*\* in-  
competent of explanation or of experiment in  
formula, *mid*  
incapable of transfer\* All that a statement of rules  
can really  
effect is to define the *nuances* of regarding the  
clifford  
of securities, and in this way to aid the training  
of the judgment—  
aided in clearness and proportion—  
strengthened and might-  
ened as it will be, by personal experience and trial  
—in forming  
conclusions, provided that judgment be  
spontaneously aided,  
and be flexible to education. An exposition of the  
right  
of estimating securities may yet not inaptly, be  
styled a wit of  
rules, rules, in the meaning of that  
**term,**  
signify a set of directions for the attainment of  
any  
object, and hence not a for the